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Massive Spending Bill Proposed in Congress Eases Medicare Rate Cuts

On Tuesday, December 20th, Congress proposed a \$1.7 trillion spending bill that includes myriad provisions affecting health care providers and reimbursement. If this bill is not approved by Friday, December 23rd, the government faces a possible shutdown.

One of the more momentous provisions in the bill is a 2% rate cut for services provided to Medicare patients in 2023. This cut would increase the following year, but this proposal is still an improvement from the original 4.5% cuts proposed earlier this year. That said, advocates of providers, such as the president of the American Medical Association (AMA), have expressed concerns that these cuts will diminish the economic viability of providing care to Medicare patients for many providers, which could ultimately result in them not taking Medicare patients in the future.

The proposal also eliminated a 4% cut from being implemented in 2023, which is currently expected as part of the Statutory Pay-As-You-Go Act. These measures, though better than the original proposed cuts, still hold difficulties for providers moving forward.

In addition to the proposed diminished rate cuts, the new package also:

- Extends telehealth reimbursement waivers through 2024
- Extends CMS' hospital-at-home waiver through 2024
- Proposes states begin reviewing member's Medicaid qualifications in April 2023
- Phases out federal medical assistance enacted through federal Covid relief packages
- Establishes federal standards for provider directories for private Medicaid carriers and other managed care companies

The omnibus bill could have wide-reaching implications for providers if it is passed, both positive and negative. The rate cuts are the primary concern in this proposed legislation, but providers should also stay informed on the other provisions, depending on how relevant they are to your practice.

APS will closely monitor the developments in this bill and continue to keep you informed on its approval status. If you have any specific concerns or questions, please reach out to your Practice Manager.